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ABSTRACT

The quality of effort among public assistance personnel has been criticized virtually since the inception of welfare programs for the poor. However, until recently, empirical information on the performance of these workers has been nonexistent. The present study, concerned with Aid to Families with Dependent Children (AFDC) case decision errors, examines potential influences on performance at worker, supervisory, and agency levels. Over 5000 randomly selected AFDC cases were reviewed by quality-control personnel. Findings include: (1) case payment decisions of public welfare personnel are not independent of their attitudes and values: (2) the use of monitoring and control mechanisms, the increased specialization of case-aide work loads, the provision of support services to case aides, and the establishment of work conditions conducive to job satisfaction can reduce case decision errors; and (3) no relationship was found between variations in organizational structure and variations in payment error. (Author/RLV)

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ADMINISTRATION AND ORGANIZATIONAL INFLUENCES ON AFDC CASE DECISION ERRORS: AN EMPIRICAL ANALYSIS

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ABSTRACT

The quality of effort among public assistance personnel has been criticized virtually since the inception of welfare programs for the poor. However, until recently, empirical information on the performance of these workers has been nonexistent. The present study, concerned with AFDC case decision errors, examines potential influences on performance at worker, supervisory, and agency levels. It locates some potential causes of error that can be reduced through managerial policy.

Administration and Organizational Influences on AFDC Case Decision Errors: An Empirical Analysis

A condition that complicates efforts to improve public assistance programs in the United States is that little research has been done relating the administration and technical features of these programs to the performance of those who are responsible for carrying them out. The quality of this performance, as measured by the number of errors made, the timing of decisions, client satisfaction, and full utilization of the available programs, is here distinguished from effects of the programs, such as labor market entry, which we designate as impacts. A lengthy literature search[1] by the present authors located less than 15 studies in the past 20 years that dealt with the quality and timing of public assistance grant decisions, the responses of recipients to officials' actions, the interplay between decision timing and error, and the relative effectiveness of the numerous policy changes that have been made, presumably to improve the quality of public assistance programs. The meager quantity of these studies is often matched by their lack of quality. Most are either impressionistic accounts of program operations and recipient responses or survey analyses based on Management Information System data. Thus they potentially suffer from serious methodological problems and inadequate data.

The present paper is based on a recent study of public assistance program implementation, the scope of which represents a radical departure from the past. Based in the state of Wisconsin, the study pursued several lines of investigation including the following:

1. The determination of worker, client, and agency factors associated with the commission of errors in AFDC budgetary and eligibility decisions.

2. The determination of worker, client, and agency factors associated with delays in AFDC intake and budgetary decisions.

3. The interdependence of delays in budget decisions and commissions of error.

4. The conditions leading to and consequences resulting from the failure of AFDC applicants to follow through on their applications.

The study examined intake as well as post-intake decisions and decisions to deny as well as to provide assistance. Data on presumed causal factors included information on relevant actors, the organizations in which they operated, and the communities in which the organizations are located. The present paper, one of several that will review the study findings, deals with one aspect of the first issue listed above. It investigates how the amount of error in AFDC grant decisions is related to the attributes of those agencies and individuals responsible for these decisions. While the study findings cannot be taken to imply causal relationships, they should provide a basis for more definitive experimental studies that will permit causal attributions.

1. BACKGROUND

One of the major innovations in the administration of AFDC since its inception has been the development throughout the United States of a state-administered, federally mandated and monitored quality-control (QC) program. This program, fully implemented only since 1973, provides

systematic data on the amount, direction, and type of decision errors found among active AFDC cases. It has documented a high incidence of errors, and a variety of so-called corrective-action programs[2] have been developed to reduce their number. Despite the fact that aggregate error rates have substantially declined since 1973, there is no definitive evidence that the majority of these efforts at corrective action have been efficacious.[3] The clear exception has been the trend toward the simplification of the budget-determination process, known in the extreme form as the "flat" or consolidated grant. The link between the flat-grant approach to budget calculations and the reduction of AFDC case decision errors is not difficult to infer. A flat-grant budgeting approach defines certain types of errors out of existence by eliminating the number of decisions that must be made in a given case. This invariably leads to an overall improvement in decision-making accuracy even if there is no measurable improvement with respect to the remaining decisions.[4]

The intuitive and programmatic appeal of relying upon the further simplification of budget calculation as the final solution to welfare error rates belies a number of intrinsic limitations. First, there are practical limits to the extent that decision points in the AFDC program can be eliminated.[5] Second, recent experiences in Minnesota and Wisconsin suggest that the implementation of the flat-grant approach is accompanied by short-run increases in program costs.[6] Third, there is a growing recognition that simplified, standardized benefit schedules are insensitive to the unpredictable and often idiosyncratic needs of low-income families.[7] That is, while the calculation of grants may better adhere

to existing rules, the ability of the AFDC program to accurately accommodate the needs of recipients may substantially deteriorate.

In light of these limitations and in view of the realization that total simplification and automatization of welfare grant calculations is an unrealized and perhaps undesirable public policy, policymakers have simultaneously attempted to reduce AFDC errors by improving the performance of workers and of supervisory personnel. The utility of this approach is supported by the fact that the substantial decline in decision-making errors after 1973 took place among some states that did not simplify rules or in related ways make the tasks of the case aides more routine. It is certainly reasonable to presume, then, that improved worker performance has also exerted a salutary effect on error rates. However, the details of this improvement and the factors which gave rise to it are unkown. In large part, this can be attributed to the infrequent and often truncated empirical research in this area.

Among the earliest of the studies on the quality of public assistance performance were those by Briar and Handler and Hollingsworth.[8] Both of these investigations were undertaken before performance studies were available through QC programs and used as their basic criterion the satisfaction of public assistance recipients toward the workers and agencies who served them. Briar studied recipients of AFDC, Old Age Assistance, and Aid to the Blind. Handler and Hollingsworth studied only AFDC recipients. Although Briar reported that AFDC recipients were more critical of public assistance than were the aged and blind, he, as well as Handler and Hollingsworth, found generally high levels of satisfaction among those on welfare. Clearly lacking in these studies

were measures of agency and worker performance. Thus there is no way to ascertain whether clients' views reflected the quality of the service they received, their gratitude for assistance, or their fear of public officials.

Shortly after error-rate data became available through quality-control studies, several investigations were undertaken in an effort to determine so-called error-prone cases.[9] While these studies did identify some characteristics of cases associated with error, they failed to identify whether and how this "error-proneness" was linked to the efforts of public assistance personnel. Furthermore, because the error-related client characteristics were limited to those readily available in case records, it may be that the associations obtained were spurious. Similar questions can be raised about the findings from several studies reported from 1975 through 1977 that attempted to identify agency characteristics associated with the commission of errors in AFDC case decisions. Baker, for example, using state-maintained data files, found several county-level phenomena to be linked to error rates.[10] But Baker also acknowledged that these linkages could reflect the operation of unmeasured phenomena at either a macro or micro level. The problems posed by Baker's data can be illustrated by two examples. Baker found that yearly increases in the number of case aides (referred to as "workers" in this study) employed by agencies were positively associated to subsequent increases in error within these agencies. He also determined that yearly changes among agencies in the overpayment error rates was positively correlated with changes in their underpayment error rates. Baker interpreted these results as indicating first that new and

inexperienced case aides commit more errors than veteran workers and second that errors are less likely to be the result of worker bias than of inefficiency. However, Baker's findings are consistent with a variety of other interpretations, none of which could be tested with his limited data set. Among other alternatives, the relationship between overpayment errors and underpayment errors as well as that between work-force growth and error rates could reflect the operation of management factors, perhaps overload, rather than worker attributes.

A more elaborate examination of management-relevant conditions influencing error rates was reported by Touche-Ross in 1977.[11] This investigation, based on data from 15 states, was intended to determine the relative merits of various "corrective actions," the term given to administrative programs to reduce case error rates. The findings indicated that use of several corrective-action strategies apparently did reduce error, while others did not. Among the useful strategies were conventional verification procedures (i.e., home visits, bank checks) for applicant/recipient reports, use of local agency and case aide reviews, and reduced caseloads. Among the ineffective strategies were a variety of case-aide training programs. While very provocative, the Touche-Ross study suffered from the admittedly subjective judgments that various corrective actions were being carried out. Furthermore, like the Baker research, the Touche-Ross study was limited to county- and state-level data and dealt with a very restricted range of variables.

A third study, conducted by Booz Allen and Hamilton for the Social Security Administration, is more complex in its analysis than either of the two preceding investigations. Conducted in six sites across three

states (Connecticut, Texas, and California) the Booz Allen project studied the variation among sites and the interaction between three general administrative desiderata of welfare programs. These included service quality, accurate program implementation, and administrative cost efficiency.[12] Substantial variation in achieving these program aims was observed across sites, even within states. Furthermore, this level of achievement was found to be heavily influenced by administrative policy. For example, agencies that stressed quality of service but failed to institute procedures to attain program accuracy were more likely to complete applications rapidly, experience less appeals, and make more errors in case determination. The Booz Allen findings must be viewed with reservation, given the limited number of agencies observed and the impressionistic character of much of the data on which it is based. The results are also weakened because the agencies differed in state and regional attributes as well as local ones. Nevertheless, there is an impressive consistency between its findings and those of the Touche-Ross study.

The most recent study dealing with the factors associated with AFDC case decision errors is that reported by Bendick, Lavine, and Campbell.[13] Using regression analyses of data from 50 states and the District of Columbia, these analysts located five phenomena which, they say, if controlled by public assistance managers, could bring substantial lowering of error and costs to AFDC. These phenomena include redetermination backlogs, client reading problems, low case-aide skill levels, rule complexity, and the absence of problem specialization units. According to Bendick and his colleagues, the alleviation of these problems through lower caseloads, inservice training, rule

simplification, and other measures could reduce the costs of AFDC errors by some $500 million. Although Bendick et al. provide interesting findings and reasonable conclusions, these conclusions are weakened by three major considerations. First, Bendick et al. fail to take into account that the corrective mechanisms they advocate can reduce cost-saving underpayments as well as cost-increasing overpayments. Second, because Bendick et al. use macro data, their micro-level interpretations are subject to the same hazards as those of Baker. Third, as is true of all regression studies, the possibility that the variables used by Bendick et al. reflect no other influences must be taken as an article of faith.

The study being reported here builds on the above investigations in several ways. It utilizes an extensive information file that includes demographic and social-psychological data on agency personnel as well as organizational attributes of agencies. It links specific case decisions to those responsible for the decisions, and it is based on a sample of 71 agencies from one state. Thus, it makes possible a level of explanation of case errors that goes far beyond previous investigations and permits a previously unattainable level of statistical control. Having noted these advances, we must still caution that this research can only be regarded as an exploratory investigation. It identifies associations between human and organizational factors on the one hand and case decision errors on the other. These associations are not equivalent to causal relations; the latter being ascertainable only through experimentation. To the extent that the results from this study suggest personnel and administrative phenomena that influence errors, this influence should be tested using more rigorous experimental designs.

2. CONCEPTUAL APPROACH

Dependent Variables

Two measures of error were used for this analysis: overpayments and underpayments. As employed here, an overpayment is the amount of money provided to a recipient family in a given month in excess of their entitlement as specified in program regulations. Similarly, an underpayment is the amount of money inappropriately withheld from a family according to their entitlement during a given month. A payment error (as opposed to an eligibility error) is determined to exist only if the discrepancy between entitlement and award is five dollars or greater. Once identified as an error, however, the entire amount of the discrepancy is utilized.

Using the amounts of money involved in over- and underpayments is not a trivial decision. Traditionally, the analysis of case decision-making accuracy has focused upon the incidence of error, i.e., the number of sampled cases having an error (or a specific type of error) divided by the total number of cases reviewed. This focus upon the frequency of case error provided a criterion for decision-making accuracy but failed to account for the fiscal seriousness of the discrepancies involved. That is, an error of five dollars received the same weight as an error of 300 dollars. By utilizing a measure of payment error amounts, the effects of both the incidence and fiscal seriousness of case error are built into the same criterion measure.

There is no a priori reason to believe that factors leading to underpayments necessarily lead to overpayments, or vice versa. Thus

our analyses we examine the sources of each. Information on these decisions was obtained from audits that are regularly performed by state QC workers on ongoing AFDC cases.

Although the occurrence of payment error is generally clear-cut, there is an element of ambiguity in regard to errors involving eligibility decisions. Technically these errors are payment errors. However, we have not included them in this analysis for two related reasons. First, the factors associated with eligibility errors may differ from those associated with other forms of payment error. Second, eligibility errors involve large sums of money. Thus the "effects" of their correlates may overwhelm the effects of other variables in our analysis. In a later paper we will report on the factors associated with decision errors involving eligibility.[14]

Error designations included all errors noted by quality-control reviewers regardless of whether the errors were designated as the responsibility of public assistance personnel or of AFDC recipients. This decision was based in part on the recognition that it is not possible for quality-control personnel to always make accurate attributions of responsibility for case decision errors. It also reflects the assumption that errors made by clients are in part the responsibility of agency personnel. Presumably through more intensive monitoring and verification efforts, many of these could be corrected. While this assumption may be tenuous in some cases, there is no reason to believe it brings bias to our analysis.

Explanatory Model of Welfare Case Decision Errors

The conceptual model which guided this analysis is broad and only suggestive of plausible causal agents. The current state of knowledge of how organizations operate permits little more. The model identifies six broad levels of phenomena that may affect case decision errors. A description and brief justification of these follow below. A partial listing of the variables in the model, including all those that survived initial tests of relevance, is contained in the Appendix.

1. Line worker characteristics. Previous research suggests a myriad of worker characteristics which may influence errors in AFDC decision-making. These characteristics can be grouped in two broad classes. The first includes workers' values and attitudes, particularly those which may have relevance to AFDC applicants or recipients. We assume these values influence workers, perhaps unconsciously, to "shade" their decisions more or less strongly for or against certain clients and that these shadings in turn contribute to error. The second class of attributes refers to the operating styles and capacities of workers. These include their concerns for carrying out their jobs, their education level, and the like. We assume these influence the propensity to commit error although they are not assumed to affect bias.

2. Supervisor characteristics. Official actions taken by line workers do not reflect only their views and capacities. They also reflect what they believe are the welfare regulations as interpreted and handed down by their immediate superiors. Furthermore, these superiors often review and pass judgment upon the decisions made by line workers. Thus, case decisions can, in fact, reflect directly the judgments of supervisors.

We assume that, as in the case of line workers, the attitudes and values of supervisors shape their interpretation of policies. If supervisors hold strong prejudices for or against welfare recipients, these may be expressed in the decisions of their subordinates and thus influence the occurrence of certain types of error. In addition, the working styles of supervisors, including the clarity of their policy interpretations, the intensity of their direction, and the correctness of their information, can also influence the incidence of error.

3. Agency director attributes. The justifications for including attributes of agency directors in our study are essentially the same as those pertaining to workers and supervisors. Agency directors are the prime implementors of policy. Their biases can heavily influence case decision making and the choice of personnel who make case decisions. As with supervisors, the impact of administrators' attitudes on lower-level personnel is likely to be mediated by their administrative styles. Directors who attend closely to internal operations, who hold numerous staff meetings, and who demand close monitoring of case decisions should find that case decision errors should be more consistent with the views of these directors than with the views of directors who are more distant from the internal operations of their agencies.

4. Agency administrative structure. Many studies have suggested that workers' performance is governed in part by the structural and processual characteristics of the organizations in which they are employed.[15] To some extent these characteristics influence worker performance through such vehicles as monitoring, information provision, and coordination. They

may also influence the behavior of workers by means of their impact on job satisfaction and identification with the organization.[16]

5. County characteristics. The political and economic features of local communities are seemingly removed from public assistance case decisions. Yet these may have substantial influence on decision errors. As noted previously,[17] several analyses have indicated persistent differentials across local jurisdictions in the size and direction of case errors. While these may reflect organization-specific forces, they may also indicate the political and economic climate in these jurisdictions.

6. State policy. Because the data for this study are confined to Wisconsin, the analysis of statewide characteristics of welfare case decision errors is largely beyond our scope. The one important exception to this limitation concerns the impact of implementing a flat-grant policy in the determination of welfare benefits. In August 1975, Wisconsin changed its grant-determination policy so that for nonworking AFDC families, grant benefits were determined solely by family size and number of children. Since this change occurred during the period in which we were collecting data, we can compare the size of underpayment and overpayment errors before and after flat grants were instituted.

3. STUDY DESIGN AND METHODS

In order to collect data on and make linkages between the various potential sources of error we have identified, it was necessary to set up a very large and elaborate research endeavor. Over 1500 separate items of information were collected concerning case, agency, and public-official attributes. Information was obtained from virtually every

worker, supervisor, and agency director in each county throughout the state. Although a detailed accounting of how data were collected, collated, and analyzed cannot be presented here, we will summarize the major features of these activities.

Sample

The sample of cases providing the base of our analysis consists of 5014 AFDC cases that were reviewed by Wisconsin quality-control personnel during the calendar years 1975 and 1976. The cases were randomly drawn from the population of ongoing AFDC cases throughout the state of Wisconsin, with approximately 220 cases drawn each month.

The decision to use cases generated by quality-control review for our primary sample has obvious advantages. The quality-control review is a thorough and time-tested technique, the validity of which is continually monitored by the federal government. There is one important drawback to this approach. While most of the independent variables were measured as of a point in time, case evaluations as assessed by the QC system were accumulated over a two-year period. This resulted in our independent variables on occasion being measured several months after our dependent variables. It was felt that the independent variables were sufficiently stable over time to warrant this methodology, but this remains a plausible assumption rather than an established fact.

Analytic Procedures

Several aspects of our approach in analyzing data should be noted. First, only a few of the scales employed in this study, such as those tapping job satisfaction, conservatism, rigidity, and fate-control were

developed by other researchers.[18] Most of the indexes employed were put together by the present researchers or borrowed from instruments developed by others. These indexes have not received the rigorous testing and development that is considered advisable for reliable and valid scale construction. We note this limitation because the failure of many of our indexes to correlate with our criterion measures could possibly be attributed to indexing problems.

Second, we believed that an undifferentiated state sample would obscure potential important differences between Milwaukee County, a large urban community, and the remaining largely rural counties of Wisconsin. It was also thought that cases in which there was earned income might have sources of error different from cases without an employed adult. Earned-income cases were more complex. Consequently, they had higher error rates,[19] potentially evoking questions of equity for workers who earned less than their clients, and requiring more ongoing attention. These considerations led to the following decisions:

- analysis of data at the worker level would be done separately within and outside Milwaukee County;
- because of problems associated with sample size, analysis of data at the supervisor level would only involve the non-Milwaukee region;
- analysis of data at the community/agency level would only involve all counties;
- a separate examination of the subsample of cases involving earned income was warranted at each level being analyzed.

Third, a uniform procedure had to be developed for assessing the relevance to error of the huge array of independent variables available

for analysis. The procedure we adopted involved a complex iterative approach in which independent variables were first correlated at each level of analysis (worker, supervisor, agency, and county) individually with the criterion measures. Those having significant correlations were then included against the criteria in multiple regression equations.[20] One consequence of this procedure is both obvious and crucial. That is, the various screenings we employed increase the probability that our findings reflect chance rather than true effects.

A fourth important feature of our analytic procedures is a bit more difficult to explain. In examining worker and administrative influences on error, we use two dependent variables (underpayments and overpayments). We also conduct separate analyses for cases involving employed and unemployed recipients, as well as for workers in Milwaukee and those elsewhere in Wisconsin. Thus it is conceivable that a given worker variable can have a significant influence on error in eight separate comparisons. In fact, this might seem to be an expected result. If a worker characteristic is important in predicting one form of error, it should appear to be a likely candidate to influence another form. A similar inference is possible at the supervisor level, where we conduct two analyses.

In fact, none of our independent variables have this consistency. This is not especially surprising. Recent psychological research suggests it would be erroneous to infer that apparently idiosyncratic operation of explanatory variables implies the absence of general forces in explaining variations in criterion measures.[21] Personality scales and demographic characteristics of individuals have seldom predicted

specific behaviors with great consistency. This is because the measures fail to account for the situational and topical variations that affect behavior. For example, prejudice scales fail to examine fully the range of groups over which prejudice can be manifested, the relative costs and rewards associated with expressing prejudice in specific situations, and the personal qualities of those toward whom prejudice may be manifested. In recognizing these facts, we approached the problem of assessing the impact of our independent variables on our criterion measures by grouping variables into families that tap the broad dimension in which we were interested. Our assumption was that while each specific scale would not necessarily have general predictive value, the family of scales would have this capability.

To illustrate our approach, we have noted our interest in assessing the relevance of workers' attitudes toward welfare recipients to the workers' decision errors. We employed several indicators for this purpose, each tapping some aspect of this class of attitudes. We assumed respondents' attitudes about welfare recipients would be dispersed across these various measures. For example, among those with "liberal" attitudes toward poverty programs, some might state that they favor higher welfare benfits while others might emphasize more the need for braod economic reforms. Furthermore, we assumed that the views of some "favorable" workers would influence them to make more overpayment errors whereas the views of others may lead them to make less underpayment errors. The results of these various patterns, while consistent with one another, are such as to dilute the predictive power of specific attitudes of workers toward recipients on errors made by the workers. Recognizing these problems,

we still expected to find identifiable trends when relating families or clusters of attitudes and situational factors to decision making.

The clusters we have identified include the following:

1. Concern to avoid error. This cluster includes measures on workers' concerns to avoid error as well as their perceptions of the concern to avoid error among supervisors, co-workers, and clients.

2. Work situation variables. This group of variables comprises two components: the objective characteristics of the work situation, and the subjective characteristics.

   a. Objective characteristics are the appurtenances of the work situation, including access to calculators, manuals, and private offices. This category also includes more general working conditions such as caseload size and the percentage of reviewed cases that involve earned income.

   b. Subjective charactersitics consist of workers' evaluations of selective features of their jobs and work places. They include such components as job satisfaction, the perceived quality and timeliness of policy information relevant to decision making, and concern about policy conflicts with co-workers.

3. Psychological and political attitudes. As noted earlier, the range of attitudes that is tapped in the study is broad. The attitudes generally can be classified in three groupings. The first deals with general social-psychological and political

opinions and values. The second is concerned with attitudes toward AFDC and the poor. The third involves what we have termed "social service orientation." This refers to a group of items which indicate the aspiration, training, and experience of workers in regard to social service.[22]

4. Supervisory style variables. These variables apply to the manner in which supervisors deal with their subordinates. They include the intensity of supervision (as measured by the various indicators supervisors use to monitor workers), the number of meetings held with staff, the types of worker norms that are encouraged, and the percentage of workers' cases that are reviewed.

5. Agency structure and management supervisory style. These agency-wide variables deal on the one hand with organizational features such as size, centralization, formalization, and the standardization of procedures. They also include, as in the case of supervisors, the attitudes and working styles of agency directors.

6. County characteristics. As noted earlier, county data are assumed to reflect the general political and economic norms within which case aides operate. The primary indicators which we use to tap these norms include county income, majority vote in the last gubernatorial race preceding the study, and percentage of families headed by women in poverty in the county.

7. Demographic characteristics. This grouping represents essentially a residual category in that there is no theoretical concept guiding the selection of variables. Many were previously

included in pools of variables intended to index some broader concepts. Although eliminated from these pools by factor analysis, their significant correlations with our criterion measures dictated that we examine further their impact on case decision errors.

4. RESULTS

Payment Errors and the Flat Grant

We look first at the effects on payment errors of Wisconsin's implementation in 1975 of a flat-grant policy.[23] For comparison purposes, we also examine the effects of the flat grant on incidence of error. Of the total sample of 5014 cases, 1284 were those in which grant decisions were made prior to the flat grant. The data in Table 1A and 1B examine how the flat grant changes the pattern of payment errors found among these cases and the approximately 3700 cases which were subjected to budgetary decisions after the flat grant. In order to get a relatively "clean" estimate of flat-grant implementation, we examined this variable in conjunction with two related phenomena. The first, cased "error time trend," simply attempts to caputre the long-term pattern of payment errors as recorded by QC data. As noted earlier in this paper, the advent of QC studies has reportedly been followed by a gradual reduction in case decision errors. Unless we control for this trend, we run the risk of attributing to the flat grant an effect due to QC and the error-control procedures it engendered. The second variable we include in the regressions of tables 1A and 1B attempts to eliminate from our study of the flat grant

Table 1A

Effects of the Flat-Grant Policy on Underpayments, Overpayments, and Incidence of Error in AFDC Cases in Wisconsin 1975-76

Variables	Underpayments (dollars per case)	Overpayments (dollars per case)	Incidence of Error (percent)
Error Time Trend	-.065	-.071	-.001
Flat-Grant Implementation	.564	-1.436	-.108***
Flat Grant	-.912	1.044	-.115***
Constant	4.806	6.873	.317
F	4.71**	1.04	31.41***

Table 1B

Effects of the Flat-Grant Policy on Underpayments, Overpayments, and Incidence of Error in Nonworking Adult AFDC Cases in Wisconsin 1975-76

Variables	Underpayments (dollars per case)	Overpayments (dollars per case)	Incidence of Error (percent)
Error Time Trend	-.172*	.014	-.003
Flat-Grant Implementation	.269	-.489	-.101***
Flat Grant	.135	-1.611	-.135***
Constant	4.234	5.001	.275
F	7.58***	1.27	59.91***

* $P < .05$
** $P < .01$
*** $P < .001$

any effects due to problems of implementation. Almost all administrative change can involve adjustment problems, perhaps artifactually causing lowered rather than improved performance. The "flat-grant implementation" variable controls for this effect by capturing error during the first three months of the flat-grant policy. Thus, our flat-grant variable examines payment error beginning with the fourth month of its operation.

The findings presented in Table 1A indicate that the introduction of the flat grant did serve to reduce the aggregate error rate. This is certainly not surprising in light of our previous discussion of what the flat grant is, namely, a policy change which defines certain possible errors out of existence by eliminating selected decision points. The data also indicate that the magnitude of the error rate reduction is large and immediate.

Quite surprisingly, however, we find that the flat grant had no significant independent effect on the amounts of dollars involved in overpayments and underpayments. The flat-grant coefficient indicates a post-implementation reduction in the average underpayment per case of $.91. With respect to overpayments, the data indicate that there was an actual increase of $1.04 in inappropriate expenditures per case after the flat grant was adopted. In neither case, however, was the change statistically significant. It should be noted that the error time trend and the two flat-grant variables jointly have a significant effect in reducing underpayments. We are unable to separate the individual contributions of these variables because they are highly correlated. No such problem arises in regard to our overpayment measure, however, since no significant dollar reduction is observed over the time period of interest.

The fact that average amounts of payment errors were impervious to a sizable reduction in the number of cases in error is of substantive significance. Presumably either the dollar size of the errors that were eliminated was so trivial that a flat-grant effect could not be independently observed for the average value of either underpayments or overpayments, or the introduction of this new policy was accompanied by a subtle shift in the dollar magnitude of the errors that remained.

In an effort to examine the specific types of cases in which the flat-grant effects could be found, we looked at findings separately for cases in which there was at least one working adult and for those in which there were none. No individual variable effects were observed among families containing a working adult, perhaps in part because of the smaller size of this sample. Among nonworking families, however (Table 1B), the findings paralleled those observed in Table 1A. Again, while no flat grant or flat-grant implementation effects were observed for amounts of payment errors, both are observed for the incidence of error. Thus, we conclude that while implementation of the flat grant in Wisconsin significantly lowered error rates, this effect was limited to nonworking families and, furthermore, had relatively limited financial implications.

Payment Errors: Worker Factors

We turn now to the effects of worker-level factors on the pattern of AFDC payment errors. For reasons noted in the preceding discussion, we confine our analysis to overpayments and underpayments. The data are grouped for each worker. That is, each observation of the dependent variable refers to the mean of the case-level observations for each

worker included in this sample. The entries in Tables 2 and 3 indicate the estimated effects on the amount of underpayment and overpayment errors of various personal and job-related characteristics of individual workers. For example, a unit increase in the belief that AFDC mothers should take any job is estimated to lead, on average, to a $4.43 reduction in underpayment errors per case among cases involving earned income (earnings cases). The fact that someone is a union member, a dichotomous variable, is estimated to have the effect of lowering earnings-case underpayments by $6.47 per case. Blank spaces in these and other tables indicate variables not included in certain regressions.[24]

The data on payment error at the worker level revealed two interesting patterns exclusive of the specific relationships revealed in tables 2 and 3. First, overpayments had substantially more variation than did underpayments. Outside Milwaukee, variance in overpayments made by workers across all cases was almost three times larger than for underpayments; within Milwaukee it was almost five times larger. Second, our equations are generally able to explain overpayments somewhat better than underpayments. The variance in payment errors accounted for by our equations, as measured by the coefficient of determination ($\bar{R}^2$), ranges from 36% of the overpayment variance in Milwaukee to 9% of the underpayment variance in earned-income cases located in agencies outside of Milwaukee.

Two plausible reasons for our ability to better predict overpayments than underpayments can be suggested. First, underpayments are likely to be noted and reported by recipients. Thus, they are also likely to be quickly corrected. This has the effect of reducing the variance in underpayments eventually observed through quality-control checks. Overpayments,

Table 2

Effects of Worker-Level Factors on
Underpayments and Overpayments Statewide Except Milwaukee

Independent Variables	Underpayments (dollars per case)		Overpayments (dollars per case)	
	All Cases	Earnings Cases	All Cases	Earnings Cases
Concern for Error				
Errors imply supervisor disapproval			-.31	1.88
Motivation to avoid underpayments			4.38*	9.58*
Motivation to avoid error			1.53*	1.59
Work Situation				
Perception of late notice of policy changes			2.85**	
Job satisfaction				-6.694**
Percentage of earned-income cases	7.61***		13.63***	
Political and Social-Psychological Attitudes				
Grant level considered too low	-1.23**	-2.07		
Pro stepparent aid			2.86*	
Neighbors believe welfare too generous			-3.72**	-7.26**
Economic and political conservatism	-2.21**	-6.76*	8.73***	
Work ethic				5.08
AFDC mothers should take any job	-.95	-4.43**		-3.67
Demographics				
Family income		.0004*		-.0004
Workers similar to clients			-4.28*	-4.50
Union member	-1.25	-6.47*		
State Policy				
Percentage of pre-flat-grant cases	4.90**	5.92	-4.06	2.48
Constant	1.21	7.01	3.48	18.46
N	402	253	402	252
$\bar{R}^2$	.11	.09	.14	.10
F	9.13***	5.22***	7.33***	3.82***

* P < .05
** P < .01
*** P < .001

Table 3

Effects of Worker-Level Factors on
Underpayments and Overpayments Within Milwaukee

Independent Variables	Underpayments (dollars per case)		Overpayments (dollars per case)	
	All Cases	Earnings Cases	All Cases	Earnings Cases
Concern for Error				
Motivation to avoid underpayments			17.64***	18.92*
Few errors imply supervisor approval			-2.41	-3.03
Work Situation				
Percentage of earned-income cases	10.11*		12.98*	
Job satisfaction			-2.60	-9.14**
Discomfort from conflict between regulations and co-workers			3.58*	6.38*
Overtime hours per month			.66**	1.00*
Number of assistance programs covered in caseload		13.81*		
Years of experience in present job				.13
Political and Social-Psychological Attitudes				
Attitude toward the poor	-4.02*			
Social service orientation			-4.91	
Mothers with young children should work		-7.31**		
Demographics				
Social science degree		12.76*		
Years of education				-9.55**
State Policy				
Percentage of pre-flat-grant cases	-3.35	-.48	-10.32*	1.86
Constant	3.62	6.25	9.16	14.50
N	170	125	170	125
$\bar{R}^2$	.05	.11	.36	.29
F	4.25**	4.85**	11.7***	6.62***

* P < .05
** P < .01
*** P < .001

however, are less likely to be reported by recipients and are less likely to be rectified. Thus, whatever variation in these errors initially occurs is more likely to be picked up through quality-control reviews. A second source in the increased variation in overpayments may be found in the nature of the interplay between AFDC recipients and case aides. Our model of this interplay is based on the assumption that recipients seek to maximize benefits while workers simply seek to provide "correct" benefits. Given this balance of concerns, overpayments are more likely events than underpayments. To the extent that worker characteristics influence payment errors, these effects are more likely to be observed where the errors are more frequent. One finding reported in Table 2 provides some support for this hypothesis. That is, workers' concern to avoid errors and underpayments does not lead to reduced underpayments, but to increased overpayments. This apparently anomalous result may simply reflect the fact that workers who wish to avoid underpayments share a concern with recipients who in all cases will want to maximize their grants. Under these circumstances, overpayment errors should increase.

Turning to other specific results in Table 2, we look first at the influence of factors in the work situation on payment errors. Our hypothesis was that increased evidence of stress and difficulty in handling the workload would be associated with increased overpayments and underpayments. The results are as expected. The greater the percentage of cases involving earned income in workers' caseloads, the larger the error in both underpayments and overpayments. On average, underpayments increase about $.08 per decision for a one percent caseload

increase in earnings cases and overpayments increase $.14 per decision. Job satisfaction and reported late notification of policy change also influence payment errors as expected. Reported job satisfaction is positively associated with a reduction in overpayments in earnings cases and reported late notice of policy changes is positively associated with increased overpayments among all cases.

Second, the anticipated association between workers' attitudes and payment errors is confirmed by the findings in Table 2. Attitudes sympathetic to the poor are positively associated with more overpayments or less underpayments. An exception to this pattern is found in the relationship between expressed conservatism and payment error. Increased conservatism is positively associated with both decreased underpayments and increased overpayments. The implication of this finding--that economically and politically conservative workers are more generous with welfare recipients than are liberals--is not readily interpretable. While it may reflect compensatory behavior by both conservatives and liberals, there is no opportunity to independently verify this inference with our data.[25]

Third, several demographic characteristics of workers--their income, their union status, and their similarity to recipients in life-style--are also related to case payment errors. The most interesting of these is that workers who are similar to recipients make smaller overpayment errors than do other workers. This finding suggests that similarity to clients helps workers understand and control those pressures--stemming from self or others--that call for "unquestioning" responses to recipients' claims and requests.

The data in Table 3, which refer to case aides in Milwaukee, are similar to those in Table 2. More variance is explained among overpayments; concern to avoid underpayments leads to increased overpayments; and factors indicating stress in the work situation typically lead either to increased underpayments or overpayments. The specific factors within the work situation that increase payment errors are larger in number than those reported for non-Milwaukee workers. In addition to job satisfaction and percentage of earned-income cases (shared with non-Milwaukee workers), these factors include overtime hours, the number of assistance programs represented in caseloads, and the degree of discomfort workers experience because of conflict between the views of their co-workers and existing state policies. This latter variable can be interpreted as a job-satisfaction component, even though it explains variance not accounted for by our variable on general job satisfaction.

Political and social attitudes that have significant effects also generally operate as anticipated. The scale titled "Attitude toward the poor," scored so that positive attitudes have higher scores, is negatively associated with underpayments. The belief that mothers should work is negatively associated with underpayments among earnings cases, suggesting that those who are less sympathetic to the idea of working mothers may try to curtail the rewards of employment.

Finally, within Milwaukee, two demographic attributes of workers--years of education and social science training--are significantly related to payment error. Neither of these has a clear conceptual link to the demographic variables found relevant to payment errors among workers elsewhere

in Wisconsin. Although length and specialization of education may index workers' views and attitudes that are not tapped by our scales, it may be that our findings simply reflect the fact that workers who vary on these characteristics are assigned different types of cases.

Payment Errors: Supervisor Factors

The data in Table 4 pertain to the effects of supervisor-level characteristics on AFDC case payment errors. The data are grouped here at the supervisory level. That is, each observation of the dependent variable refers to the mean of the case level-observations for each supervisor included in this sample.

We note first that the difference in overpayment and underpayment variances, found to be large among workers, is relatively small among supervisors. Supervisors' overpayment variances are about 33% larger than their underpayment variances, whereas, it will be recalled, overpayment and underpayment variances among workers differed by factors of three or more. Correspondingly, the tendency of worker characteristics to better predict overpayments is not observed among supervisors. These patterns might be anticipated for two reasons. First, supervisor payment errors represent work-group averages, and such data are subject to less variance than data for individual workers. Second, error rate differences among supervisors are unlikely to reflect recipient pressure, because supervisors have little direct contact with recipients.

The specific phenomena at the supervisory level which significantly affect payment error are only partially similar to those influential at the worker level. The similarities are observed in the tendency of

Table 4

Underpayments and Overpayments Statewide Except Milwaukee, Supervisor Level

Independent Variables	Underpayment (dollars per case) All Cases	Underpayment (dollars per case) Earnings Cases	Overpayment (dollars per case) All Cases	Overpayment (dollars per case) Earnings Cases
Supervisory Style				
Intensity of supervision			-7.55	
Sensitivity to service requests	11.61*			-14.13*
Concern for Error				
Motivation to avoid underpayments			-5.22	-14.92**
Motivation to avoid overpayments		-8.98*		
Work Situation				
Perception of late notice of policy changes	-6.15**		-2.29	
Poor client experiences				-10.99**
Discomfort from conflict between regulations and co-workers		-2.81		
Perceived influence in agency		4.94		
Percentage of earned-income cases	-11.56		9.91	
Political and Social-Psychological Attitudes				
Work ethic	10.57***		-5.37	
Rigidity	6.56*			10.24*
Economic conservatism		-3.90		6.70
Attitude toward AFDC		-8.90		
Prejudice		4.28		
Demographics				
Education			-4.34	
Similarity to clients		-7.03		
Experience in agency			.06*	
State Policy				
Percentage of pre-flat-grant cases	1.55	-3.08	-12.38	-7.74
Constant	6.75	9.87	8.57	14.45
N	84	67	84	67
R^2	.35	.20	.09	.30
F	7.32***	3.01**	2.34*	5.77**

* P < .05
** P < .01
*** P < .001

supervisors with nonsympathetic views of welfare dependency[26] to have work units that make more underpayments and less overpayments. The dissimilarities tap several dimensions. Among supervisors, concern for error variables operates to reduce the size of payment errors.[27] Among workers, for reasons suggested above, they did not. Among supervisors those with higher rigidity scores[28] are more likely to be in charge of units having both comparatively larger overpayment and underpayment errors.[29] Rigidity was not relevant to payment errors at the worker level. In addition, supervisors who report that they receive information on policy changes late were in charge of units which made smaller overpayment errors.

The relationships between rigidity and payment error are of interest because rigidity, rather than reflecting some type of bias, appears to be positively associated with both forms of payment error. The findings suggest that "rigidity" implies inability to change practices as changes are dictated by external events. Since public assistance policy is characterized by frequent change, this inability would lead to increases in unit payment errors.

The obviously puzzling feature of the link between supervisors' views on information about policy change and payment error is that it implies that the later such information is provided the smaller will be the payment errors among supervisory units. This not only runs counter to common sense, but differs from the result obtained for case aides. It clearly needs explanation. One interpretation--the only one we have--is based on the assumption that workers and supervisors attach different meanings to their responses. Workers' complaints about the timeliness of information are likely to reflect a reality governed by the promptness

with which changes in policy made at the state level are channeled to them through agency management. Supervisors' complaints are less likely to reflect this concern, since the supervisors are relatively high in the channeling process and thus more likely to obtain data relevant for policy as it becomes available to their agencies. Furthermore, county agencies recieve information on state policy at the same time through the same communication channels. All of this suggests that supervisors' concerns about the timing of policy information reflect less their differing realities than their differing commitments to perform accurately. Those who find fault with the lead time provided to them may be the more committed managers, those with better-performing units.

The remaining finding of consequence in Table 4 pertains to a variable listed under the rubric of supervisory style. Suprisingly, supervisors who stress quick agency response to recipients' requests for assistance are in charge of units having significantly less overpayments and more underpayments. This finding does not lend itself to a ready interpretation.

Payment Errors: Agency/County Factors

At the agency/county level (Table 5) four factors significantly influence payment error in one or more comparisons, and three of these operate in anticipated ways. First, the ratio of case aides to clerical staff is positively associated with overpayments; second, the presence in agencies of internal control mechanisms[30] is negatively associated with overpayments; finally, the amount of time spent by directors with staff in formal and informal meetings is negatively associated with

underpayments. Essentially these three findings suggest that increased support services and management control tend to reduce payment error.

The unanticipated finding is that directors who report pro-client community group pressure administer agencies that make more underpayment errors. One interpretation of this result is suggested by some additional analyses which we undertook. There is a tendency for directors who report local group pressure to be less positively oriented to the poor and to operate in agencies with more internal controls. There is also a tendency for these directors to come from larger counties ($r = .217$) with relatively large numbers of poor households headed by women. Thus, it appears that our finding reflects a scenario in which more conservative and less generous agency directors see themselves as being confronted by local organizations which seek to liberalize welfare policies.

5. CONCLUSIONS

Among our specific findings, several appear to us to be worthy of note. First, it appears that the case payment decisions of public welfare personnel are not independent of their attitudes and values. With a few exceptions, these attitudes operate in predictable ways. Those personnel with more generally liberal views are more likely to make overpayments or less likely to make underpayments. These findings, while of considerable theoretical importance, may be of little practical relevance, because it is likely to prove difficult to introduce psychological screening programs and strategies to change attitudes into public assistance agencies. This difficulty is all the more severe because neither our scales nor anyone else's can locate the particular attitude strengths which minimize error.

Table 5

Underpayments and Overpayments Statewide, County Level

Independent Variables	Underpayments (dollars per case) All Cases	Underpayments (dollars per case) Earnings Cases[a]	Overpayments (dollars per case) All Cases	Overpayments (dollars per case) Earnings Cases
Work Situation				
Ratio of case aides to clerical staff			1.16*	3.16*
Agency commitment to training			-2.48*	-4.19
Percentage of earned-income cases	3.03		.48	
Agency pressured by pro-client lobbies	6.29*			
Structural and Supervisory Characteristics				
Internal control mechanisms			-2.06*	
Time spent by director with staff	-2.95*			5.24
Degree of worker specialization				
Eligibility interviews scheduled regularly	-2.07			
Political and Social-Psychological Attitudes of Director				
Attitude toward poor	-1.48			
Attitude toward AFDC			2.29	
Demographic Characteristics				
Director's education	-2.56			
Percentage of poor in county population			-.25*	
State Policy				
Percentage of pre-flat-grant cases	26.09**		-15.94*	-8.63
Constant	-2.3		11.19	10.67
N	71		71	71
R^2	.29		.20	.06
F	5.19***		3.55**	2.24*

* P < .05
** P < .01
*** P < .001

[a]The variables in the equation accounted for no significant variance. Thus no coefficients are presented.

On the other hand, and on a more optimistic note, there is a series of findings which suggests some avenues by which policymakers can reduce case decision errors. These findings deal with the positive relationship between various management options and error reduction. Among these options are the use of monitoring and control mechanisms, the increased specialization of case-aide work loads, the provision of support services to case aides, the establishment of work conditions conducive to increased job satisfaction, and the appointment of supervisors expressly committed to error control. Some of these approaches have been identified as sources of error control in prior and less comprehensive studies.[31] Thus, this set of positive findings can be regarded with some confidence despite the "broad net" approach of the analysis which produced them. We repeat our caution, however, that this confidence does not yet suffice to justify heavy investment in these management strategies in order to reduce error. A necessary prior step entails subjecting the strategies to experimental test.

A third general finding that merits attention is the general lack of influence that organization structure and process characteristics have on payment error. Here we refer to phenomena captured by such terms as size, centralization, formalization, work-group cohesion, and peer interaction. We do not mean to imply that these characteristics are irrelevant to AFDC worker output or error commission. The absence of such elements of formal organizations as central authority, informal and formal communication among employees, and worker in-service training might well result in chaos. On the other hand, the variation with which these features appear in the 71 agencies studies in this investigation did not

significantly explain payment error variance. Since the sample of agencies is large for this type of investigation, and since the structural features of these agencies do indeed vary considerably, it is not likely that our failure to find broad organization structure and process variables to be relevant to payment errors is a problem of sampling. Two other explanations can be proposed.

First, very few of the studies that examine the organizational significance of structure and process focus on the quality and quantity of outputs.[32] Thus, while these investigations have demonstrated some significance of these characteristics for one another and selected aspects of organizational operation, their relevance to output is virtually undocumented. It may be, in fact, that for many organizational features this relevance is nil.

A second, and less extreme argument is that the significance of an organization's structure for the character of its outputs is likely to be mediated by its technology.[33] The technology involved in AFDC case budgetary decisions comprises a variety of nonarcane tasks on the part of practitioners whose outputs are not linked technically to those of other workers. The decisions of these workers and their justifications are accessible to supervisional review and, as we have noted previously, probably subject to recipients' pressures. Under these circumstances, the crucial factors in the AFDC decision process are likely to be the rules for determining budgets, performance incentives, and the predilections and interactions of workers, their supervisors, and agency clients. Other factors, particularly those relating to the structures of the organizations in which these decision makers operate, are likely to be of marginal relevance to output quantity and quality.

Despite the plausibility of this argument, we know of no empirical demonstration of its validity and this brings us to a final issue which we wish to address here. Organizations are complex and varied, and research has not been undertaken systematically in the full range of organizations which now exist. This circumstance leads to potentially very serious problems. Research findings from settings with certain features are often applied to settings with quite different features. This application presumably reflects necessity as well as lack of sophistication, since, after all, research is limited. The application may be in the form of structural changes, communication programs, and management styles. But, if setting, structure, technology, and routines are important parameters constraining instruments of change as well as phenomena to be changed, the general use of results in the manner we describe may bring limited, if any, rewards.

6. APPENDIX

As organized here, we have reported on four levels of variables.[34] They are

I. County/Agency: This includes data from the county questionnaire, agency questionnaire, and the directors' interview.

II. Supervisor: Supervisor questionnaire.

III. Worker: Worker questionnaire.

IV. Client: Selected variables from QC review schedule.

Further break down of these variables are

I. County and agency level

A. Work situation

1. Ratio of income maintenance case-aide positions to clerical positions (Range: 1 to 10)

2. Agency commitment to staff training (Normalized range: -1.2 to 1.3)

3. $\frac{\text{\# Earned-income cases from county in sample}}{\text{\# Cases from county in sample}}$ (Range: 0% to 67%)

4. Average caseload (Range: 28 to 125)

B. Structural and supervisory

5. Number of agency internal-control mechanisms (Normalized range: -.6 to 1.6)

6. Time spent by director with staff (Normalized range: -.8 to 1.0)

7. Degree of specialization among agency workers (Normalized range: -.4 to .8)

8. Intake interviews scheduled by case aides (Dichotomy: Yes, No)

C. Director's political and social-psychological attitudes

9. Attitudes toward poor (Normalized range: -1.0 to 1.0)

10. Attitudes toward AFDC (Normalized range: -.8 to .8)

11. Sources of political pressure on director (Normalized range: -.4 to .6)

D. Demographics

12. Director's education and training (Normalized range: -1.4 to .6)

13. Percentage of families below poverty level in county (Range: 3% to 21%)

II. Supervisor level

A. Supervisory style

14. Percentage of case-aide cases reviewed (Range: 0% to 100%)

15. Intensity of supervision (Normalized range: -.6 to 1.2)

16. Workers encouraged to be cooperative with clients (Normalized range: -.9 to .7)

B. Concern for error

17. Motivation to avoid overpayment (Normalized range: -.9 to 1.6)

18. Motivation to avoid underpayment (Normalized range: -.2 to 1.7)

C. Work situation--subjective

19. Perception of late notice of policy changes (Normalized range: -1.6 to 1.2)

20. Discomfort from conflict between AFDC regulations and co-workers (Normalized range: -1.2 to 1.8)

21. Poor client experiences (Normalized range: -1.5 to 1.3)

22. Supervisor's influence in agency (Normalized range -1.1 to 1.3)

D. Work situation--objective

23. Experience--current job

24. Experience in agency

25. Percentage of policy information in written form (Range: 5% to 100%)

E. Political and social-psychological attitudes

26. Rigidity (Normalized range: -.8 to 1.3)

27. Work ethic (Normalized range: -.9 to 1.6)

28. Economic and political conservatism (Normalized range: -.9 to .8)

29. Attitudes toward AFDC (Normalized range: -.9 to .7)

30. Racial prejudice (Normalized range: -1.2 to 1.0)

F. Social service orientation

31. Overall social service (Normalized range: -1.5 to 1.3)

G. Demographics

32. Sex (Dichotomy: Male, female)

33. Similarity to client (Normalized range: -.9 to 1.6)

34. Union membership (Dichotomy: Yes, no)

35. Age in years (Range: 23 to 65)

36. Whether current or past recipient (Dichotomy: Never a recipient, past or present recipient)

37. Education (Normalized range: -1.0 to 2.0)

III. Worker level

A. Concerns for error

38. Errors imply supervisor's disapproval (Normalized range: -1.6 to 1.0)

39. Motivation to avoid overpayment (Normalized range: -2.4 to 3.9)

40. Motivation to avoid underpayment (Normalized range: -1.7 to 2.0)

41. Few errors imply supervisor's approval (Normalized range: -1.4 to 1.3)

B. Work situation--subjective

42. Perception of late notice of policy changes (Normalized range: -1.4 to 1.4)

43. Job satisfaction (Normalized range: -2.0 to 1.0)

44. Discomfort from conflict between AFDC regulations and co-workers (Normalized range: -.9 to 1.8)

C. Work situation--objective

45. Percentage of cases with earned income (Range: 0.0% to 100%)

46. Overtime hours per month (Range: 0 to 40 hours)

47. Experience in current job (Range: 1 to 360 months)

48. Worker makes decisions on programs other than just AFDC (Dichotomy: Yes, no)

49. Worker has private office (Dichotomy: Yes, no)

D. Political and social-psychological attitudes

50. Grant level considered too low (Normalized range: -2.5 to 1.9)

51. Pro stepparent aid (Normalized range: -.7 to 1.8)

52. Neighbors believe welfare it too generous (Normalized range: -2.0 to .6)

53. Mothers with young children should work (Normalized range: -1.6 to 1.2)
54. Mothers on AFDC should take any job (Normalized range: -.9 to 1.8)
55. Work ethic (Normalized range: -1.0 to 1.5)
56. Economic and political conservatism (Normalized range: -.9 to 1.2)
57. Attitudes toward poor (Normalized range: -1.0 to 1.2)

E. Social service

58. Overall social service orientation (Normalized range: -1.1 to 1.1)
59. Interest in social service job (Dichotomy: Yes, no)

F. Demographics

60. Family income, annual (Range: $1,000 to $52,000)
61. Current or past recipient of welfare (Dichotomy: Never a recipient, past or present recipient)
62. Age in years (Range: 18 to 72)
63. Union membership (Dichotomy: Yes, no)
64. Education (Normalized range: -2.3 to 2.5)
65. Social worker or social science degree (Dichotomy: Yes, no)
66. Similarity to clients (Normalized range: -1.0 to 1.3)

7. NOTES AND REFERENCES

1. This search extended over a six-month period and covered various sociological, public policy, and social work books and journals as well as abstracting periodicals and government publications.

2. They include, among other efforts, staff training programs, improved AFDC procedural manuals, better management systems, increased verifications, and flat-grant benefit structures.

3. Over 40% of AFDC case decisions were in error in 1974. This was reduced to 22.4% by 1976. See Marc Bendick Jr., Abe Lavine, and Toby H. Campbell, The Anatomy of AFDC Errors (Washington, D.C.: The Urban Institute, 1978).

4. Congressional Research Office, Administration of the AFDC Program: A Report to the Committee on Governmental Operations (Washington, D.C.: U.S. Government Printing Office, 1977), pp. 239-241.

5. In cases in which the recipient is employed, particularly, job-related expenses may vary sufficiently to rule out the imposition of a uniform standard.

6. In large part, these increased costs result from the incorporation in grants of expenses previously associated with special needs. Usually the resulting grant increases are more than the mean of special-needs expenses across all AFDC recipients in a given state. This is in recognition that special needs often represent major expenses for individual families. Furthermore, since AFDC families are unlikely to put money aside for emergencies, even though their grants are presumed to permit this, there have developed in many states so-called emergency assistance programs to help AFDC families during financial crises.

7. Irving Piliavin and Alan Gross, "The Effects of Separation of Services and Income Maintenance on AFDC Recipients," Social Service Review 51 (September 1977), pp. 390-405.

8. Scott Briar, "Welfare from Below: Recipients' Views of the Public Welfare System," in Jacobus TenBroek, ed., Law of the Poor (San Francisco: Chandler, 1966), pp. 46-61; Joel Handler and Ellen Jane Hollingsworth, The Deserving Poor? A Study of Welfare Administration (Chicago: Markham, 1971).

9. These efforts are discussed in the Use of Error Profiles and Management Controls for Improving Program Operations: West Virginia, DHEW (SRS), 75-21231.

10. Timothy Baker, Error Rates in Public Assistance Eligibility Determination. Unpublished doctoral dissertation, Bryn Mawr College, 1976.

11. U.S. Department of Health, Education, and Welfare, Social Security Administration, Evaluation of AFDC-QC Corrective Action, Final Report, 1977.

12. Service quality included accessibility to clients, promptness of initial service, overall client treatment, and responsiveness of the fair-hearing system. Accurate program administration was measured by absence of error in the determination of eligibility and payment level, timely conduct of redetermination activities, and timely conduct of case update activities. Cost efficiency was measured by cost per completed application, cost per eligibility determination, cost per eligibility redetermination, and cost per case maintenance month. See Social Security Administration, A Comprehensive Study of AFDC Administration and Management (Washington, D.C., 1977).

13. Op. cit., see footnote 3.

14. One hundred and eight of the 5014 cases reviewed in this study involved eligibility errors.

15. For some classical discussions of these relationships, see James Thompson, Organizations in Action (New York: McGraw Hill, 1966); Peter Blau, The Dynamics of Bureaucracy (Chicago: University of Chicago Press, 1955); James March and Herbert Simon, Organizations (New York: John Wiley, 1958).

16. Presumably workers who are more satisfied and identify more with the goals of their organization are more likely to follow decision guidelines.

17. See pp. 5 and 6 above.

18. For a summary of the construction of several of these scales, see John P. Robinson and Phillip Shaver, Measures of Social Psychological Attitudes (Ann Arbor: University of Michigan Press, 1972).

19. Fifty percent of the earned-income cases were in error as contrasted to 25% of the cases in the total sample.

20. Some of these variables were dropped from our final regressions in order to reduce problems resulting from intercorrelations (multicollinearity) among the independent variables.

21. Darye Bern and Andrea Allen, "On Predicting Some of the People Some of the Time: The Search for Cross-Situational Consistencies in Behavior," Psychological Review 81 (October 1974), pp. 506-519.

22. On all attitude scales, scores were based on a Likert-type scoring procedure. That is, scores were assigned using the following formula: $S = \sum_{j=1}^{N} \sum_{i=1}^{K} W_{ij}$ where K is a weight (1, 2, ..., K) representing the strength of a respondent's reply to the jth item.

23. We do not report here separate findings for Milwaukee and non-Milwaukee cases; the findings for the two regions are the same.

24. A brief comment is in order on the meaning and use of the variable called "percentage of flat-grant cases." This variable refers to the relative number of each worker's reviewed cases that were assessed prior to flat-grant implementation in Wisconsin. It does not have a clear interpretation such as that associated with the flat-grant variable employed in Table 1 and is used here and subsequently only for purposes of statistical control.

25. The possibility that our measures of conservatism were invalid was investigated by a variety of comparisons with other scales. Virtually all comparisons indicated the scale indeed tapped conservatism in the intended manner.

26. That is, those who have a strong work ethic.

27. It may seem inconsistent that the scales indexing concerns to reduce underpayments and overpayments are linked respectively to reductions in overpayments and underpayments. This apparent inconsistency can be clarified by a brief description of these scales. With one exception, the two scales consisted of identical items tapping respondents' concern for error and their perception of the error concerns of their supervisors, their co-workers, and agency clientele. However, one item asked the degree to which respondents' supervisors were more concerned about overpayments or about underpayments. The scoring of this item, in one version, emphasized the supervisors' concern for overpayments. In an alternative version, it emphasized concern for underpayments. The specific version that correlated more with the criterion measure was used in the regressions of that criterion. However, it is apparent that the two scales predominantly tap a concern for any error.

28. Based on the scale developed by Wesley. See John P. Robinson and Phillip Shaver, Measures of Social Psychological Attitudes (Ann Arbor: University of Michigan Press, 1972), pp. 313-316.

29. The findings regarding the effects of rigidity on underpayments in earnings cases and on overpayments in all cases are in the same direction as those reported in Table 4, but fail to be statistically significant.

30. This measure is a straight count of the various types of activity reports required from case aides by agency management.

31. See footnotes 11 and 12 above.

32. Gerald Hage and Michael Aiken, "Routine Technology, Social Structure, and Organization Goals," Administrative Science Quarterly 14 (1969), pp. 366-376; Sergio Talacchi, "Organization Size, Individual Attitudes and Behavior: An Empirical Study," Administrative Science Quarterly 5 (1960-61), pp. 398-420; Richard Hall, Organizations, Structure and Process (Englewood Cliffs, N.J.: Prentice-Hall, 1972); Yeheskel Hasenfeld and Richard A. English, eds., Human Service Organizations (Ann Arbor: University of Michigan Press, 1975), pp. 35-50, 363-377, 391-412, and 472-484.

33. Charles Perrow, Organizational Analysis: A Sociological View (Belmont, Calif.: Wadsworth, 1970), pp. 86-89; Gerald Hage and Michael Aiken, Social Change in Complex Organizations (New York: Random House, 1970); James D. Thompson, Organizations in Action (New York: McGraw-Hill, 1967), pp. 51-65.

34. Normalized scores have been assigend to a substantial number of our independent variables. This was done for two reasons. First, several of the variables we use are scales made by combining scores from individual item responses. Since response distributions are typically dissimilar across

items, it is clear that identical scores for different items do not necessarily reflect the same degree of severity or extremity. Thus combining raw scores can have misleading implications. Second, even when an independent variable is made up from response scores taken from but one item or question, the relative extremity of the score can be misleading if the response distribution of the item is highly skewed.

Normalization is a procedure that greatly reduces these problems. Essentially, raw scores for each item are assigned new scores that reflect their relative location in the distribution of responses. The new score is determined using the following assumptions and procedure:

1. Assume that the underlying dimension tapped by a given item is normally distributed.

2. Assume that the sample of responses obtained in the study was plucked out of different portions of the underlying distribution.

3. Assign to the raw score a value equal to the normal ordinate associated with the percentage of the response distribution intervening between the raw score and the median response score. For example, assume that the distribution of responses on an item is as follows:

1	2	3	4
1%	1%	3%	95%

The "1" response is given an ordinal score equal to the median of the left-most 1% of the normal distribution. The table of normal deviates indicates this to be -2.58. For the "2" responses, the median of this group has all of the 1's area to its left plus half of the 2's area, or a total of 1.5%. Normal tables reveal this value to be -2.17. For more

details, see Gary Tietjen and Katherine Campbell, Proceedings of the Second ERDA Statistical Symposium (Springfield, Va.: National Technical Information Service, 1977).